

UNITED STATES INTERNATIONAL TRADE COMMISSION  
Washington, DC 20436

**MEMORANDUM ON PROPOSED TARIFF LEGISLATION  
of the 109<sup>th</sup> Congress<sup>1</sup>**

[Date approved: November 4, 2005]<sup>2</sup>

**Bill No. and sponsor:** H.R. 2312 (Mr. Joe Wilson of South Carolina).

**Proponent name, location:** Bose Co., Columbia, SC.

**Other bills on product (109<sup>th</sup> Congress only):** None.

**Nature of bill:** Extension of existing temporary duty suspension through Dec. 31, 2008.<sup>3</sup>

**Retroactive effect:** None.

**Suggested article description for enactment (including appropriate HTS subheading):**

120 volt/60 Hz electrical transformers (the foregoing and parts thereof provided for in subheading 8504.31.40 or 8504.90.95), with dimensions not exceeding 88 mm by 88 mm by 72 mm but at least 82 mm by 69 mm by 43 mm and each containing a layered and uncut round core with two balanced bobbins, the foregoing rates as less than 40 VA but greater than 32.2 VA with a rating number of R25.

**Check one:**     ☒ Same as that in bill as introduced.<sup>4</sup>  
                      ☐ Different from that in bill as introduced (see Technical comments section).

**Product information, including uses/applications and source(s) of imports:**

Transformers are used to reduce (“step down”) or to increase (“step up”) alternating electrical current (AC). The subject R-core transformers are very compact and generate very low levels of “electrical noise”, and are used in certain compact radios and radio/CD combinations. These transformers are used to step down standard household electrical voltages (110-120 volts AC) to several other lower voltages that power various components within these consumer audio products. The sources of these imports are reported to be China and Taiwan.

<sup>1</sup> Industry analyst preparing report: John Cutchin (202-205-3396); Tariff Affairs contact: Jan Summers (202-205-2605).

<sup>2</sup> An electronic copy of this memorandum is available at [http://usitc.gov/tata/hts/other/rel\\_doc/bill\\_reports/index.htm](http://usitc.gov/tata/hts/other/rel_doc/bill_reports/index.htm).

<sup>3</sup> The subject products are eligible for duty-free entry under heading 9902.85.04 through December 31, 2006.

<sup>4</sup> No change in the article description of HTS heading 9902.85.04 is suggested.

**Estimated effect on customs revenue:**

<b>HTS subheadings: <u>8504.31.40</u> and <u>8504.90.95</u></b>					
	2005	2006	2007	2008	2009
Col. 1-General rate of duty	6.6%	6.6%	6.6%	6.6%	6.6%
Estimated value <i>dutiable</i> imports	\$3,800,000	\$3,750,000	\$3,500,000	\$3,500,000	\$3,500,000
Customs revenue loss <u>1/</u> <u>2/</u>	\$250,800	\$247,500	\$231,000	\$231,000	\$231,000

1/ Although the duty suspension accorded under heading 9902.85.04 covers goods falling in both of these HTS subheadings, industry sources indicate that to date, and for the foreseeable future, imports of parts for R-core transformers, classified in 8504.90.95, have been and will continue to be negligible; thus, the data presented here for dutiable imports relate to finished transformers.

2/ The revenue loss data for 2005-2006 reflect the existing duty suspension under heading 9902.85.04 through December 31, 2006. Source of estimated dutiable import data: industry and Commission staff estimates.

**Contacts with domestic firms/organizations (including the proponent):**

Name of firm/organization	Date contacted	US production of same or competitive product claimed?	Submission attached?	Opposition noted?
		(Yes/No)		
Bose Co. (Proponent) Mr. Walter Reheb, 202-508-4092	9/06/2005	No	No	No
Custom Magnetics, Mr. Kirti Shah, 260-982-8508	9/07/2005	No	No	No
Lenco Electronics, Inc., Mr. Bruce Thackrey, 815-344-2900	9/07/2005	No	No	No
Northlake Engineering, Mr. William A. Hardt, 262-857-9600	9/07/2005	No	No	No

**Technical comments:**<sup>5</sup> None.

<sup>5</sup> The Commission may express an opinion on the HTS classification of a product to facilitate consideration of the bill. However, by law, only the U.S. Customs Service is authorized to issue a binding ruling on this matter. The Commission believes that the U.S. Customs Service should be consulted prior to enactment of the bill.

109TH CONGRESS  
1ST SESSION

# H. R. 2312

To extend the temporary suspension of duty on certain R-core transformers.

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## IN THE HOUSE OF REPRESENTATIVES

MAY 11, 2005

Mr. WILSON of South Carolina introduced the following bill; which was  
referred to the Committee on Ways and Means

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## A BILL

To extend the temporary suspension of duty on certain R-core transformers.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. CERTAIN R-CORE TRANSFORMERS.**

4       (a) IN GENERAL.—Heading 9902.85.04 of the Har-  
5       monized Tariff Schedule of the United States (relating to  
6       certain R-core transformers) is amended by striking “12/  
7       31/2006” and inserting “12/31/2008”.

8       (b) EFFECTIVE DATE.—The amendment made by  
9       subsection (a) applies to goods entered, or withdrawn from

- 1 warehouse for consumption, on or after the 15th day after
- 2 the date of enactment of this Act.

